DEPARTMENT OF THE TREASURY
FY 2004
Information Technology (IT)
Strategic Plan

September 2002

Department of the Treasury
Information Technology (IT) Strategic Plan Overview
Fiscal Year 2004

Table of Contents

Department of the Treasury
Information Technology (IT) Strategic Plan
Overview
Fiscal Year 2004

Section I. Introduction

The Department of the Treasury supports the President's Management Agenda and the Treasury Department's 14 goals. The Treasury IT Strategic Plans link the Department's capital planning efforts with the IT investments. The Departments began several enterprise efforts in fiscal year 2002. A significant effort for the Department was to strengthen its capital planning and investment control process. This effort includes creating an enterprise architecture that supports the Department's business lines and helps the Department manage a portfolio of investments.

In Fiscal Year 2003, the Department will tie the capital planning and investment control to the enterprise architecture. We will have a portfolio of approved investments and any new investments will be prioritized within the portfolio. Attachment A is Treasury's Capital Planning and Investment Review Process. This process is based on the Department of Labor's proven success story. The Department has been working toward a similar model throughout fiscal year 2002 but we are improving it with Labor's cohesive implementation of the entire life cycle management.

Treasury's fiscal year 2004 IT strategic planning supports the Department's four missions: economic policy, financial management, law enforcement, and internal management. The fiscal year 2003 and 2004 goals directly integrate our capital planning, investment control, enterprise architecture and strategic planning processes. The overall process will show progress and forward movement toward specific business goals. The idea is to work with the Office of Management and Budget on investment strategies with our portfolio in hand so that the business case process is simply an approval exercise. Furthermore, this planning provides direction to enhance eGovernment performance throughout the Department.
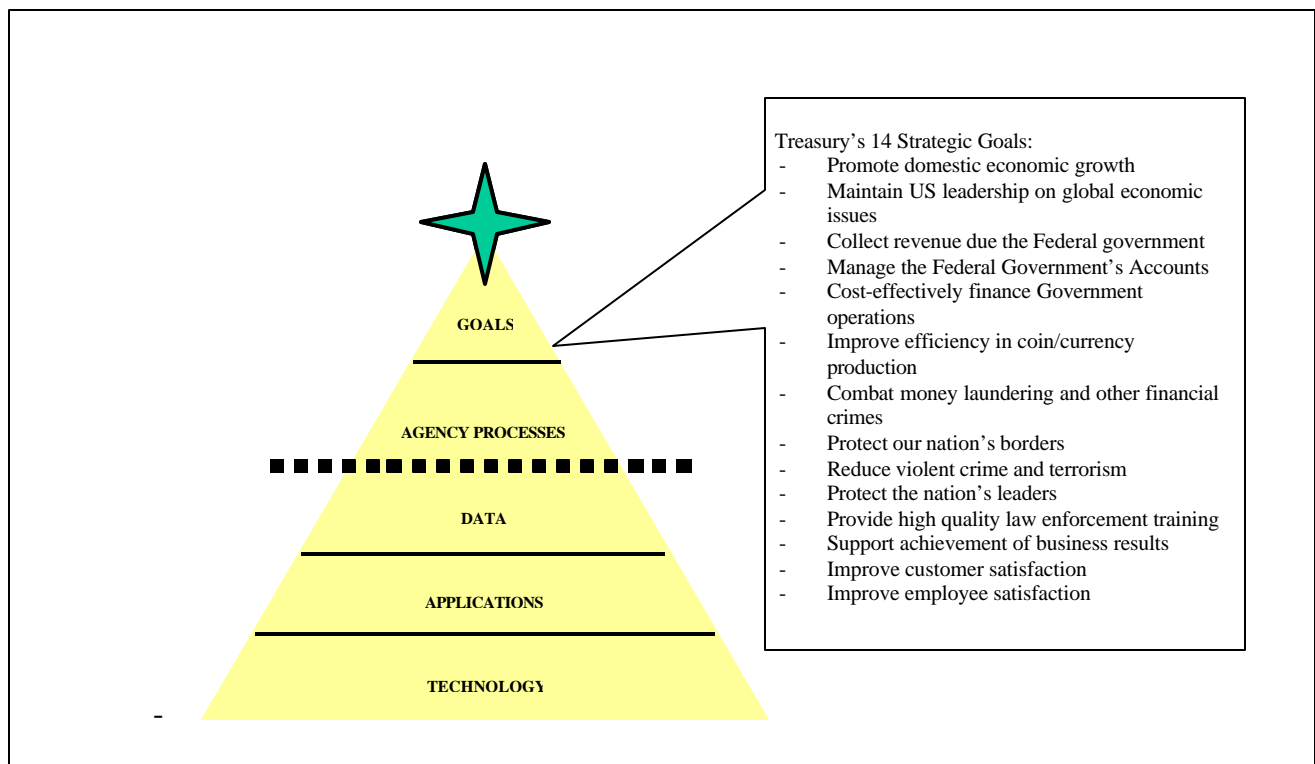
Treasury's 14 Strategic Goals:
- Promote domestic economic growth
- Maintain US leadership on global economic issues
- Collect revenue due the Federal government
- Manage the Federal Government's Accounts
- Cost-effectively finance Government operations
- Improve efficiency in coin/currency production
- Combat money laundering and other financial crimes
- Protect our nation's borders
- Reduce violent crime and terrorism
- Protect the nation's leaders
- Provide high quality law enforcement training
- Support achievement of business results
- Improve customer satisfaction
- Improve employee satisfaction

Figure 1 – Enterprise Architecture ensures Agency IT resources enable Treasury to reach goals and accomplish mission.

Section II. Treasury's Goals for Fiscal Year (FY) 2002 and 2003

Treasury's eGovernment vision is to deploy and manage assets and services to reduce the burden on citizens and businesses. To achieve the eGovernment vision, the Department initiated the following four activities in FY2002:

1. **Support the President's Management Agenda eGovernment initiatives**
2. **Strengthen Capital Planning and Investment Control (CPIC) processes**
3. **Develop an Enterprise Architecture (EA) for the Department and integrate it with the CPIC and Strategic Planning Processes**
4. **Strengthen the Security Posture for the Department**

These initiatives will provide the foundation necessary for success in eGovernment. The goals for 2002 were accomplished and will continue in 2003. The Department has a long way to go to develop an enterprise architecture that is tied to a true portfolio of investments. In 2002, we realigned processes, implemented the infrastructure and started the EA foundational elements. In 2003, we will build on the foundation to integrate EA with capital planning. Our strategic plans will be integrated with our EA and our capital planning and investment control process.

1. Actions taken in FY2002 to Support President's Management Agenda eGovernment Initiatives

- Supported Treasury and IRS-led initiatives: EZ Tax Filing, Electronic Tax Products for Businesses, and Extension of Filing date for e-filers
- Actively participated in other President's Management Agenda eGov initiatives, including Project SAFECOM, eAuthentication, eTravel, Federal Asset Sales, Integrated Acquisition, USA Services, International Trade, Online Access for Loans, Online Rulemaking, One-Stop Business Compliance, Recruiting One-Stop, Enterprise HR Integrations, eRecords, and others
- Supported the expansion of Pay.gov Treasury-wide and government-wide, including the use of open standards such as ebXML
- Continued our participation/attendance in cross agency meetings in support of the President's eGov. Initiatives
- Established a Treasury-wide eGovernment Team chaired by the CIO
- Performance Metrics developed to measure impact and value

2. Actions taken in FY2002 to Strengthen Capital Planning and Investment Control (CPIC) Processes

- Developed Treasury's Capital Planning Guide (See Attachment A)
- Conducted jointly with CFO, Department-wide training on the President's Management Agenda and the new requirements in our IT Investment Portfolio System (I-TIPS) for Budget Exhibits 300
- Implemented CPIC Performance Measures for CIOs and CFOs
- Conducted monthly Treasury Information Management Exchange (TIMEX) meetings covering Capital Planning Requirements and I-TIPS
- Developed and used Capital Asset Plan (OMB Exhibit 300) scoring Templates

3. Actions taken in FY2002 to Complete an Enterprise Architecture at the Department level

- Completed development of both the Business Reference Model (BRM), to support strategic alignment of IT resources with business objectives, and the Technical Reference Model (TRM), to support interoperability
- Conducted joint training sessions with the CPIC team to promote the integration of the Enterprise Architecture and capital investment management
- Implemented Enterprise Architecture performance measures for CIOs
- Shared enterprise architecture "useful practices" with bureau CIOs
- Implemented best practices, including the use of the Enterprise Architecture Management System (EAMS) for Department level tool set
- Updated and maintain current the Treasury Enterprise Architecture Framework (TEAF) for bureaus
- Conducted monthly Treasury Architecture Working Group (TAWG) meetings to transition to enterprise processes (one example is collections)

4. Actions taken in FY2002 to Strengthen the Security Posture for the Department

- Resolve Material Weaknesses for:
  - Disaster Recovery and Backup
  - Security Program Oversight
- Implement Intrusion Detection
- Implement Departmental Incident Reporting
- Implement Virtual Private Networks, Public Key Infrastructure and Smartcard technology to secure physical and cyber access
- Develop new thin policy for Security with guidelines and checklists
- Develop Security audit and review program
- Implement NIST assessment framework enterprise wide
- Implement Security training for employees and contractors
- Develop Performance measures for Security components (such as certification and accreditation (C&A), capital planning, training)
- Complete C&A – goal is 100% for fiscal year 2003
- Complete Continuity of Operations Plan for the Department

Section III. Treasury's Goals for FY2004

By FY2004, Treasury will be in position with a Capital Investment Control Process that is integrated with the Enterprise Architecture. The strategic plans will tie directly to the Treasury goals, architecture and investment portfolio. Investments will be prioritized across the enterprise. The goal is to show an overall strategy for progress in order to move forward with the Office of Management and Budget (OMB) on investment strategies before the business case exercise. We would like to be in position to obtain approval for investment strategies so that the business case is truly an approval exercise. Treasury will be able to host or participate in cross government initiatives confident that the security and technology services within Treasury are a benefit to the team.

As we progress with our products in FY2003, we will provide these products to OMB for review and approval.

Specific FY2004 goals include:

- Continued growth of capital planning and investment control process – a part of daily life
- Continued growth of enterprise architecture and portfolio management for investments
- IT Strategic plans that are functional rather than bureau specific – enforcement, public debt management, financial management, manufacturing, etc.
- Expansion of Paperwork Elimination initiatives into true Web Services
- Document Management and Workflow across Treasury Enterprise
- Increased bandwith and supporting telecommunications services to support Treasury's modernization efforts

Section IV. Background Information

Treasury's Enterprise Architecture

The Department of the Treasury is developing enterprise architecture (EA) descriptions across all of its business lines following the Business Reference Model established by OMB. Our EA effort is focusing on the identification of redundant systems and whenever possible making performance improvements in our processes. The OMB Federal Enterprise Architecture (business reference models and other reference models) is consistent, in large part, with the Treasury Enterprise Architecture Framework (TEAF). Substantial work has been accomplished by the bureaus following this framework. These bureau efforts will be rolled up to the Treasury and Federal Business Reference Models.

By July of 2003, the Department will have:

- The prioritized portfolio of investments
- EA will be tied to CPIC and strategic planning
- The core business functions, roles, processes and interdependencies (Business Reference Model and Performance Reference Model)
- Redundancies and plans of action to address redundancies
- The supporting applications and their relationship to the business processes
- The information repositories supporting the applications
- The technical infrastructure that supports the entire model.

Treasury's business lines are provided in Figure 2:

Figure 2: Treasury Business Lines

Business Areas	Program Administration									Compliance						Support Delivery of Service				Internal Operations				
Business Lines/ Treasury Bureaus	Asset Management	Defense & National Security Ops	Diplomacy & Foreign Relations	Domestic Economy	Education	Grants & Loans	Permits & Licenses	Research & Development and Science	Social Services	Collections	Consumer Safety	Import/ Export	Law Enforcement	Legal	Other Regulatory Compliance	Information Management	Regulatory Management	Legislative Management	Internal Controls & Monitoring	Human Resources	Finance	Supply Chain Management	Administration	Travel
DO	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
OCC	X				X		X				X				X	X			X	X	X	X	X	X
OTS	X						X				X				X	X			X	X	X	X	X	X
ATF					X		X		X	X	X		X		X	X			X	X	X	X	X	X
USCS		X	X	X	X	X	X			X	X	X	X		X	X	X	X	X	X	X	X	X	X
USSS	X	X		X							X		X			X			X	X	X	X	X	X
FLETC				X												X			X	X	X	X	X	X
FinCEN	X	X	X								X		X			X			X	X	X	X	X	X
BEP	X												X			X			X	X	X	X	X	X
Mint	X												X	X		X			X	X	X	X	X	X
BPD	X			X												X			X	X	X	X	X	X
FMS	X			X				X		X					X	X			X	X	X	X	X	X
IRS				X						X	X		X	X	X	X	X	X	X	X	X	X	X	X
CDFIF	X			X	X	X			X							X			X	X	X	X	X	X

The Department of the Treasury has developed a Technical Reference Model (TRM) and is developing Standards in 16 areas. Working Groups are collaboratively addressing standards in the following areas:

Common Business Areas
- Travel
- HR
- Finance
- Procurement
- Document Management/Records Management

Technical Areas
- Web Services
- Business Processing Applications
- Networks/Communications
- PKI/Smart Cards
- Security – Firewalls, Encryption, Risk Assessment
- Data Management and Data Utilities
- Distributed Computing
- Systems Management
- Configuration Management
- Software Engineering
- Operating Systems

The Department of the Treasury will incorporate in its standards OMB's Component-Based Architecture (CBA).

Treasury eGovernment Agenda

Treasury is facing a challenging and exciting future. In an age of integrated and complex global economic conditions, the demands on the Department have increased substantially. As government services are compared to private business, customer expectations are changing. The public is demanding service comparable to the private sector. Systems are expected to be operational in months rather than years. Furthermore, the President's Management Agenda creates significant opportunities for the Department to improve service and reduce costs through eGovernment.

Listed below are descriptions of some of Treasury's major enterprise eGovernment initiatives:

- **Treasury Communications Enterprise**

The Department is transitioning its Treasury Communications System (TCS), the largest private data network in the world, into the Treasury Communications Enterprise (TCE). TCE is essentially a set of corporate utilities that take advantage of Treasury's volume to reduce costs. Through a "managed services" approach, Treasury will integrate several Treasury telecommunications management programs into a single corporate telecommunications and information technology service—TCE. This system already serves as a backbone for Treasury eGovernment initiatives and supports over 200,000 users worldwide. This system supports Treasury's eGovernment agenda in the four areas of G2C, G2B, G2G, and internal efficiencies and effectiveness.

- **Treasury's HR Connect**

A major example of Treasury's eGovernment commitment to internal efficiency and effectiveness is its implementation of an enterprise Human Resources system—HR Connect. In the past, Treasury has been spending over $50 million a year to support more than 90 different personnel systems. The majority of these systems did not interoperate and were not designed to use today's technology. The objectives of HR Connect are to:
  - Replace legacy systems with integrated state-of-the-art technology
  - Enable strategic management of the Treasury workforce
  - Facilitate process improvements such as increasing productivity and achieving high performance
  - Provide improved services to employees and managers at reduced costs
  - Improve the organization's ability to recruit, develop, and retain high caliber individuals.

Treasury's HR Connect goal is to support the Department with a single system. The cost-benefit studies for HR Connect demonstrate that Treasury can achieve a cumulative net benefit of $195 million over 10 years—a return on investment of $2.31 for every dollar invested.

Major Examples of Bureau eGovernment Initiatives

- **FMS' Pay.gov**

One major example of the way in which Treasury bureaus are delivering new value to citizens, businesses, and government partners is through the Financial Management Service's (FMS) Pay.gov. Pay.gov is a Government-wide transaction portal managed by the Treasury Department's Financial Management Service (FMS). FMS offers a suite of electronic financial services to assist agencies.

Pay.gov's services rest on four cornerstones:

- Collections—Enabling end-users to authorize collections over the Internet that will be settled through a number of methods
- Forms acceptance and direct billing—Accepting agency forms submitted by end-users over the Internet and presenting agency bills to end-users over the Internet for collection
- Access control—Establishing that an end-user is who or what the end-user claims to be (authentication), along with what an end-user may do (authorization)
- Reporting—Providing information to agencies and the public about transactions

Although Pay.gov has four cornerstones, the Collections function is of primary importance to Pay.gov and the other services either flow from or support this service. The services of Pay.gov are modular; i.e., each of the services can be invoked separately of the others, sometimes from an agency's own Web site.

Treasury uses Pay.gov for a number of reasons:

- Pay.gov provides new electronic collection methods that facilitate the ability of agencies to conduct transactions online.
- Pay.gov provides assistance to agencies in converting forms into documents that can be accepted electronically and provides means by which agency bills may be presented electronically for collection purposes.
- Pay.gov provides access control services to facilitate forms acceptance, direct billing, and—most importantly—collections.
- Pay.gov provides reports to agencies about these automated transactions and assists agencies in integrating the reports into their systems. Pay.gov interfaces with agencies accounting systems and reports to Accounts Receivable for these automated transactions. Similarly, FMS is developing the capability for agencies to handle Accounts Payable over the internet using different financial products.

Pay.gov's services can help agencies meet their requirements under the Government Paperwork Elimination Act (GPEA) and, for the most part, these services are provided free of charge.

Treasury's Bureau of Alcohol, Tobacco and Firearms (ATF) is currently working with FMS' Pay.gov to develop industry on-line filing of returns and reports. Other agencies that use Pay.gov include the Department of Transportation's "Do It Yourself" system, Veterans Affairs, General Services Administration, Small Business Administration, Immigration and Naturalization, Federal Emergency Management Agency, Defense Finance and Accounting Service, and the Office of Surface Mining.

- **Treasury Direct Electronic Services and Savings Bond Connection**

Treasury Direct Electronic Services and the Saving Bond Connection are the Bureau of Public Debt's two highly secure eGovernment applications that allow individual investors the option of establishing their accounts on-line, completing transactions to include the payment process, and accessing all account information.

Treasury Direct Electronic Services (TDES) allows individuals to directly manage their investments in the U. S. Treasury marketable securities using either the internet or telephone. TDES was implemented to promote self-sufficiency among Treasury Direct's 600,000 customers who hold over $77 billion in securities. TDES uses "intelligent agents" to automate various investor services such as purchasing securities, reinvesting maturing securities, viewing account status, requesting account statements, and other similar services. Now, TDES accounts for 70 percent of all reinvestments and 40 percent of new sales and has dramatically reduced processing costs.

The Savings Bond Connects allows citizens to buy a savings bond anytime, 24 hours a day, seven days a week through the internet using a credit card. The Bureau of Public Debt sells directly to the public instead of using its traditional network of over 40,000 commercial banks. Through the Savings Bond Connection, Public Debt reduced the delivery time for bonds by one-third.

- **U. S. Mint's Online Store**

The U. S. Mint' Online Store is a highly successful electronic commerce web site for online catalog shopping. The site offers internet catalog browsing with mail and phone order capability as well as secure credit card sales. The Mint's Online Store is one of the top 20 "e-tailers" in the nation with total web sales of more that $256 million during a twelve-month period.

In addition to its Online Store, the Mint also receives coin orders electronically from the Federal Reserve Banks (FRB). The FRB uses emails and electronic spreadsheets to order coins for individual banks by denomination and amount.

Modernization Programs in Treasury

- **Internal Revenue Service**

The purpose of the IRS is to raise all major IRS business systems to the level of "best practices" in the private and public sectors. This modernization effort will have an impact on every IRS component over time. The Business Systems Modernization Program reorganized IRS into four business lines:
  - Wage and Investment
  - Large and Mid-sized Business
  - Small Business/Self Employed
  - Tax Exempt

Congress established a goal that 80 percent of all tax and information returns should be filed electronically by 2007. Currently, for individual taxpayers, approximately one in every four individual taxpayers files returns electronically. Also, working with Treasury's Financial Management Service and the private sector, IRS has modernized the Federal tax payment environment. By replacing a paper-based Federal tax deposit coupon system, the Electronic Federal Tax Payment System (EFTPS) reduces the filing burden by providing flexible payment choices for taxpayers, increases the speed, efficiency, and accuracy of revenue collection and taxpayer account posting, and expedites the availability of funds to the Government.

The President's Management Agenda includes IRS' EZ Tax Filing and Expand Electronic Tax Products for Businesses initiatives as two of the President's Management Agenda eGovernment initiatives for the Administration.

- **U. S. Customs Service**

Customs designated that the Automated Commercial Environment (ACE) will replace its 16-year old trade processing system, the Automated Commercial System, as part of the Customs Modernization Program. ACE will reduce the paperwork burden, provide enhanced user functionality, and meet legislative requirements. A single international shipment can require as many as 40 different government paper forms. Ninety percent of the data on those forms is redundant.

Part of the later phases of ACE will upgrade the case management system and internal administrative systems. The cost-benefit study for ACE determines that the Government's $1 billion investment will generate $3.3 billion in benefits through revenue recovery, labor cost avoidance, and productivity improvements.

- **Financial Management Service**

FMS makes almost 900 million payments annually on behalf of civilian agencies such as the Social Security Administration, Department of Veterans Affairs, and the IRS. FMS payment services touch the lives of over 100 million people. Payment modernization is one component of a multi-year effort to replace, streamline and reengineer the critical information systems that support core FMS business processes. Since the implementation of the electronic funds transfer requirement, the percentage of electronically disbursed payments has risen to 73 percent of total Treasury payments.

Furthermore, FMS' Government-Wide Accounting Modernization initiative will improve the reliability and timeliness of the Government's financial information. This FMS initiative will give Federal agencies better tools for checking on the status of their financial information held by Treasury and streamline the reporting and reconciliation processes.